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Financial Literacy Missal and Raymond

Lesson 6-1: Risk Assessment and Strategies *pages 186 - 192*

Vocabulary

1. **Risk** the change of injury, damage, or economic loss
2. **Loss** a physical injury, damage to property, or disappearance of property
3. **Probability** the likelihood of a risk resulting in a loss
4. **Risk assessment** the process of identifying risks and deciding how serious they are
5. **Risk reduction** finding ways to lower your chance of incurring a loss
6. **Risk avoidance** stopping behavior that leads to a risk
7. **Risk transfer** buying insurance to shift the risk of financial loss to an insurance company
8. **Risk assumption** accepting the consequences of risk
9. **Self-Insurance** setting aside money to be used in the event of injury or loss